

## ANALYTICS IN ACTION

# ANALYZING THE EFFECTIVENESS OF THIRD-PARTY DIABETIC MANAGEMENT SOLUTIONS

Using a third-party service can be a smart business decision to free up internal resources and increase efficiencies. However, it's critical for businesses to understand the effectiveness of these services. In this case, the client wanted HDMS to evaluate the impact and value of the diabetes management program. They also wanted to see if there were unexpected outcomes they needed to be aware of.

## The Situation

The client wanted to create better outcomes for their diabetic employees and improve their health management. They hoped that better guidelines for treatments and more effective screening techniques would help their diabetic employees better manage their health. With better maintenance, they expected to see a decrease in emergency room use and emergency treatment costs. Ultimately, the client hoped these changes would increase HEDIS compliance and improve the quality of care for their diabetic employees.

## The Promised Solution

To achieve their goals, the client sought the services of a third party that could provide focused support specifically designed for diabetic patients. With a track record of reducing emergency visits, hospital admissions and the costs associated with emergency care, they found a third-party organization that they felt could help them achieve these goals. The third party also promised HEDIS increased compliance and could show that diabetics using their program reduced their A1c levels.

## The Test

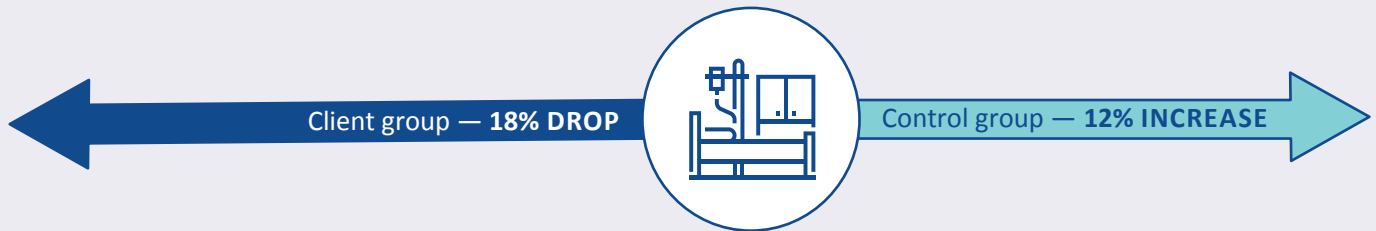
When it came time to renew the contract, the client wanted to see if their third party solution was delivering what had been promised. They employed HDMS to assess the outcomes and investigate any unforeseen consequences.

By creating a control group of diabetic patients with similar risks, HDMS could compare them to the diabetic employees of the client. When the data was analyzed, some interesting patterns began to appear.

## The Findings

The client was pleased to see that the data analysis confirmed the program was delivering on its promise.

### Emergency room services:



### Emergency PMPM costs:



### HEDIS Compliance:

**THE CLIENT ACHIEVED IMPROVED HEDIS COMPLIANCE**  
in retinopathy screening, nephropathy screening and A1c testing.

## The Results

Although this is exactly what the client was hoping to confirm, as the analysts looked closer, they found some unexpected outcomes the client needed to consider. Compared with a diabetic control group, the client's diabetic employees were much more costly and were consuming more health resources overall.

## Promises Kept

With this information in hand, the client could clearly see value delivered by their third-party vendor contract. They were able to make an informed decision about whether to renew the contract, and if so, how to negotiate a better one going forward.

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